

DG 02-125

**CONCORD STEAM CORPORATION**

**Petition for Permanent Rate Increase**

**Order Approving Procedural Schedule and Granting Intervention**

**O R D E R   N O.   24,058**

**September 26, 2002**

**APPEARANCES:** McLane, Graff, Raulerson & Middleton, P.A., Sarah B. Knowlton, Esq. for Concord Steam Corporation; Governor's Office of Energy and Community Services, Jack K. Ruderman, Esq.; and Marcia A. B. Thunberg for Staff of the New Hampshire Public Utilities Commission.

**I.    PROCEDURAL HISTORY**

On June 17, 2002, Concord Steam Corporation (Concord Steam or Company) filed with the Commission a notice of intent to file rate schedules. On July 23, 2002 Concord Steam filed its proposed rate schedules, supporting material, and Petition for Authority to Establish Permanent Rate Increase. The filing requested an increase in revenue of \$501,702, which represents a 13.9 percent increase over weather-normalized pro forma test year revenues.

On August 8, 2002, Concord Steam filed a Petition for Temporary Rates in the amount of \$496,405 or 13.7 percent over weather-normalized test year revenues.

On August 19, 2002, the Commission issued an Order suspending the proposed tariffs and scheduling a Prehearing Conference and Technical Session for September 11, 2002.

On September 9, 2002, the Governor's Office of Energy and Community Services filed a Motion to Intervene.

The Prehearing Conference and Technical Session were held on September 11, 2002. Also on September 11, 2002, Staff submitted a proposed procedural schedule for Commission consideration as follows:

September 25, 2002	Responses to Technical Session Data Request Due
September 27, 2002	Company Testimony on Temporary Rates
October 4, 2002	Staff and Intervenor Testimony Due
October 15, 2002	Hearing on Temporary Rates, 10:00 AM
November 5, 2002	Technical Session 9 AM and Data Requests to Company
November 19, 2002	Data Responses from Company
December 3, 2002	Technical Session 9 AM Data Requests to Company and Settlement Discussions
December 17, 2002	Data Responses Due
January 7, 2003	Staff and Intervenor Testimony
January 14, 2003	Company Data Requests to Staff/Intervenors
January 28, 2003	Staff and Intervenor Responses Due
February 4, 2003	Settlement Discussions at PUC, 9 AM
February 14, 2003	Submit Settlement, if any
March 4-5, 2003	Hearings, 9 AM, In the event of settlement, only one day would be used

On September 25, 2002, Staff submitted a letter to the Commission which indicated Concord Steam had complied with the initial deadlines contained in the proposed procedural schedule.

## **II. POSITIONS OF THE PARTIES AND STAFF**

### **A. Concord Steam Corporation**

Concord Steam stated they are not presently earning their allowed overall rate of return of 8.44 percent. Their test year ending December 31, 2001 showed a loss of approximately \$99,000. This equates to a negative 3 percent overall rate of return. Concord Steam requested a permanent rate increase of \$501,702 and a temporary rate increase of \$496,405.

### **B. Governor's Office of Energy & Community Services (GOECS)**

The GOECS requested intervenor status and expressed their concern that the proposed rate increase may adversely affect the downtown Concord customers. GOECS also expressed their concern that Concord Steam's switch from wood chips to fossil fuel may jeopardize their qualifying facility status under the federal Public Utilities Regulatory Policies Act (PURPA) and NH RSA 362-A, Limited Electrical Energy Producers Act (LEEPA). GOECS also stated notice of the proceeding had not reached key customers. Upon questioning from the hearings examiner, GOECS stated they would assume the responsibility of

ensuring key persons' names and addresses were provided to the Commission and Concord Steam for the customer mailing list.

### **C. Staff**

Staff stated they did not oppose Concord Steam's request for waiver of Puc 1604.01(a) (10), (12), (13), (19), (20), and (27). Staff stated the information required in these sections of the rules was either unavailable with respect to this company or could be obtained through the company's annual and monthly reports. Staff highlighted areas of concern as the allocation of fixed expenses between the electric cogeneration company and the steam utility; the reliability of the system, maintenance, and capital improvements; the adequacy of the rate increase to cover capital improvements; additional basis needed for the proposed changes in rate design; and whether the rates identified have been adjusted pursuant to Order No. 23,828. Order No. 23,822, dated November 1, 2001, in DG 01-171 approved an annual energy cost adjustment factor. Finally, Staff stated they did not object to the intervention of GOECS.

### III. COMMISSION ANALYSIS

#### A. Motion to Intervene

The GOECS has asserted that their rights, duties, privileges, and substantial interests would be impacted by this proceeding. The Commission received no objections to the GOECS's motion to intervene. We approve the intervention.

#### B. Procedural Schedule

Having reviewed the procedural schedule proposed by the Staff and Parties, we find that it is reasonable and believe it will aid in the orderly review of the Petitioner's filing. We understand from Staff that Concord Steam has complied with the initial deadlines set forth in the proposed procedural schedule. We will approve the procedural schedule for the duration of this proceeding.

**Based upon the foregoing, it is hereby**

**ORDERED**, that the procedural schedule set forth above is approved and shall govern the remainder of this proceeding; and it is

**FURTHER ORDERED**, that the GOECS's Motion to Intervene as noted above is granted.

By order of the Public Utilities Commission of New  
Hampshire this twenty-sixth day of September, 2002.

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Thomas B. Getz  
Chairman

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Susan S. Geiger  
Commissioner

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Nancy Brockway  
Commissioner

Attested by:

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Debra A. Howland  
Executive Director & Secretary